

PANZERI S.P.A.



ORGANIZATION, MANAGEMENT & CONTROL MODEL

PURSUANT TO LEGISLATIVE DECREE 231/2001

Approved by the **Board of Directors**
With resolution of **18/07/2019**

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ETHICAL CODE



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1. INTRODUCTION

The adoption of a set of "Ethical Principles" by the Company appears to be an essential element in a preventive Corporate control system, aimed at developing a work environment that incorporates high ethical standards of conduct and to avoid the occurrence of crimes, including those provided for by Legislative Decree 231/2001.

The Code of Ethics therefore assumes the task of expanding and completing the "Organization, Management and Control Model" (OM&C Model) recommending, encouraging and prohibiting certain behaviours from the recipients¹ of the Model itself. Citing the Guidelines drawn up by Confindustria, the "Ethical Codes" can be defined as those "official documents that contain the set of rights, duties and responsibilities of the Body towards stakeholders"².

With the knowledge that no document can reasonably consider all the cases that may arise in the performance of work activities, the Corporate Code of Ethics aims to guide all recipients to the correct behaviour, also with reference to the types of offense envisaged by Legislative Decree 231/2001. Such diffusion will also take place through a training and awareness program on issues pertaining to Corporate ethics, during compulsory annual training on the subject of Legislative Decree 231/2001. In the Code of Ethics, we find the further objective of favouring a generalized adherence to the values of the Corporate reality, in order to reach the collaboration of all in achieving the objectives set. These values must necessarily arise within the Company Management (from the Directors to the individual Members), to then be transmitted to each subject belonging to the Company.

Panzeri S.p.A. also undertakes to make the content of this code known to those who have any commercial relationship with the Company, starting from Consultants, Suppliers and Customers, by means of an explicit contractual clause.

A fundamental component in the effective implementation of the OM&C MODEL is constituted by the predisposition, and the consequent use, of an adequate sanctioning system, within which the hypotheses of violation of the rules of the Code of Ethics are also present, although these precepts are often of an extrajudicial nature.

2. SCOPE

All the Recipients of the Code of Ethics, hereinafter better explained, are bound to respect its rules in the parts that apply to them. As already specified, the Management plays here a major role, as it must promote all the ethical values which, consequently, will spread throughout the entire Company.

In no case may the pursuit of the Company's interest justify a conduct contrary to any existing legislation and / or the rules of this Code, which is a guarantee and reliability instrument, to protect the assets and reputation of the Entity concerned.

The **Supervisory Body**³, together with top Management, has the task of monitoring the compliance with the Code of Ethics and the possibility to suggest possible sanctions in case of failures or violations against the Code, through the mechanism described in the Disciplinary System.

The rules contained in this Code of Ethics integrate the behaviour that Employees are required to observe in accordance with the rules of ordinary diligence, honesty and respect, which they all are required to have and which are regulated by the legislation on labor relations.

¹ Ref. Paragraph 4 of the Present

² CONFINDUSTRIA - Guidelines for the construction of organizational, Management and control models - Approved on 7 March 2002 and updated to March 2014, p. 46.

³ Ref. Paragraph 6 of the OM&C MODEL

3. MISSION AND VALUES OF BEHAVIOUR

The "ethical" reflection also involves the organizational and business fields; consequently, the concepts become necessarily linked to the so-called "Corporate social responsibility". It must reflect in ensuring correctness during the conduct of business and Corporate activities, to protect the assets, the Corporate image and the expectations of all the reference Stakeholders, not failing to pay attention to environmental protection.

This Code of Ethics will therefore define the values and ethical principles to which the activity carried out by Panzeri S.p.A. is anchored, in addition to the rules of conduct for business and its own activities required of each individual recipient. The Company aims to create an environment that promotes values and encourages ethical conduct, obtaining a context of collaborative work in which the dignity of each individual is respected.

In-depth understanding of the following list of values will make the practical translation of everyday behavioural rules described in Company procedures and more.

HONESTY AND TRANSPARENCY

Correct, consistent and fair conduct is essential to ensure a timely, clear and transparent dialogue with all the Customers, Suppliers and Collaborators of the Company. All actions and relations with third parties must be carried out ensuring correctness, completeness and uniformity, in order to allow them to take fully aware decisions.

Honesty also means guaranteeing, in compliance with the provisions of the law, the confidentiality of the information which necessarily comes into possession during the activity: except in cases of express authorization, the use of confidential data will be prohibited for purposes other than those initially agreed.

LEGALITY

Recipients are required to comply with the legal regulations in which they operate, refraining from violating laws and regulations. Therefore, each Recipient undertakes to diligently acquire the necessary knowledge of the regulatory provisions addressed to him, assisted in this process by the Supervisory Body in charge and, once they become aware of them, to respect them in full.

INTEGRITY

Maintaining unexceptionable business integrity means:

- Stigmatizing any conduct aimed at carrying out crimes;
- Prohibiting any form of agreement aimed at the pursuit of illicit objectives;
- Avoiding any direct conditioning and influence to the Supervisory Authorities, maintaining their own line of moral integrity, even in the case where mistakes have been made.

PROFESSIONALITY

Each Recipient is required to carry out his activity with the professionalism required by the nature of the tasks and the functions performed, assuming his own responsibilities and using the maximum commitment.

In order to maintain a high level and quality of the services provided, everyone is obliged to carry out the necessary in-depth and updating activities with the necessary diligence, dutifully participating in the training organized by the appointed Corporate structure.

CUSTOMER SATISFACTION



The activity of Panzeri S.p.A. is to produce and trade small metal parts. This activity has an important impact, in working terms, for its Customers: an error, a fault in general could not only create dissatisfaction to Third Parties but even represent a risk for their business continuity. The awareness of this is reflected in the guiding values of the Entity.

ENVIRONMENT PROTECTION

The Company, in order to achieve the environmental compliance, implements a Company policy aimed at minimizing the external impact of its activities and the materials treated: through the definition of ethical precepts and / or tangible limits to their behaviour, the Recipients shall stick to environmental protection pursuant to Legislative Decree 152/06.

SAFETY

Panzeri S.p.A., in a constant risk prevention approach, undertakes to consolidate and spread the culture of safety, developing awareness of risks and promoting responsible behaviour on the part of all personnel. Ethical values will help the Body to face the problem with the utmost seriousness.

PROTECTION OF COMPETITION

The Company complies with the principles and laws for the protection of competition in the so-called "*relevant market*", refraining from any behaviour that may distort it.

The market itself appears to have experienced a time of expansion in the past that has made today's collusive probabilities very remote; the ethical values aim to stigmatize any explicit or implicit agreement, both with employees of the competing companies and with the top Managers in the same.

4. CODE OF CONDUCT

The main rules of conduct are listed below by reference contact person.

Internal interlocutors	External interlocutors
4.1 Employees	4.4 Financial Institutions
4.2 Partners	4.5 Customers
4.3 Collaborators	4.6 Suppliers of Goods and Services
	4.7 Competitors
	4.8 Public Administration
	4.9 Environment

4.1 EMPLOYEES

HUMAN RESOURCES SELECTION, DEVELOPMENT AND PROTECTION

Being aware of the importance of human resources within the Company, Panzeri S.p.A. is committed to enhancing and developing the skills necessary to stimulate the abilities and potential of its Employees and Collaborators, so that they find full and personal fulfillment in achieving Corporate objectives set.

Panzeri S.p.A. therefore undertakes to offer equal employment opportunities to all employees based on specific professional qualifications and solely on their ability to perform, without any discrimination linked to race, sex, age, nationality, religion, political orientation etc. It shall also guarantee a work environment adequate from the point of view of personal safety and health and in any case without prejudice.

CONFLICT OF INTERESTS

All Collaborators must ensure the adherence of each of their own professional decisions to the interests of the Body with which they are related: they must therefore avoid any situation of conflict of interest that could affect their independence of judgment and choice.

CORRECT USE OF COMPANY ASSETS

Every Employee and Collaborator is obliged to protect Corporate assets through responsible behaviour, in line with the operating procedures set up to regulate their use. This means to use with care, diligence and, above all, with motivations strictly functional to the performance of one's professional activity all Company tools and work spaces, so as to avoid that their improper use leads to their damage and deterioration.

GIFTS AND BENEFITS

It is not allowed to receive / offer money, gifts or benefits of any kind directly or indirectly, on a personal basis, to / from executives, officers or employees of Clients, Suppliers, Public Administration Bodies, public or private Institutions or any other type of organization for the purpose to gain undue advantages. Acts of commercial courtesy, such as gifts or forms of hospitality, are permitted only if they comply with the defined Company procedures.

ACCOUNTING AND INTERNAL CONTROL

Employees who process these data are subject to specific behavioural procedures and are required to ensure that all operations are represented correctly and promptly within the Company accounts. From an operational point of view, this translates:

- In the fact that each operation must be legitimate, authorized, documented, recorded and verifiable;
- In keeping records of adequate supporting documentation for each operation / activity carried out, such as to allow an easy accounting entry, the identification of the different levels of responsibility and the necessary control.

4.2 PARTNERS

VALUE CREATION

In the Corporate sphere, the creation of value is what allows the remuneration of entrepreneurial risk. This will therefore be one of the primary objectives pursued by the Company through a policy aimed at safeguarding the Company's solidity, while promoting economic competitiveness and respect for the ecosystem.

GOVERNANCE RULES

The Company has outlined governance rules that, indirectly, are inspired by the recommendations contained in the Confindustria "Code of Conduct". This translates into a system of behavioural protocols implemented and proceduralized: in this way it is possible to operate through higher efficiency criteria, as well as to ensure greater levels of transparency that make it possible to increase the image of reliability that Clients and third parties generally accrue towards Panzeri S.p.A..

In relation to the principles already presented, for the Shareholders it is ethically prohibited and therefore envisaged - and sanctioned - within the Disciplinary System:

- Engaging in any behaviour aimed at causing damage to financial integrity;
- Perform any act, even simulated or fraudulent, aimed at influencing the will of other members of the Assembly in order to obtain the irregular formation of a majority and/or resolution different from that which would otherwise have been produced;
- Carry out any type of Corporate transaction likely to cause damage to creditors.

INFORMATION TRANSPARENCY AND ACCESSIBILITY

The Company shall make available all the information that can allow stakeholders to make informed choices, guaranteeing their correctness, clarity and equal access.

The total transparency, although it may sometimes seem inconvenient, is considered the fulcrum of its future economy, since the primary achievement of the institutional balance is imperative for its economic and financial balance.

4.3 COLLABORATORS

The Company, in the performance of its exercise, constantly avails itself of the assistance of external Collaborators, active in the most disparate areas of activity: towards them it is required the establishment of relationships devoted to full compliance with the regulations in force and the principles of this Code.

The Collaborators must therefore promote transparent and cooperative agreements, enhancing every synergy with the internal organs of the Company and undertaking not to exploit situations of dependence or weakness of the counterparty, from which an identical behaviour is expected.

While negotiating with them, the Company will take care to place its future collaborators in a position to know the principles underlying the Company's behaviour (as described by the OM&C MODEL), reserving the right to include clauses in the contract aimed at terminating the employment relationship with anyone who does not intend to align with these principles.

4.4 FINANCIAL INSTITUTES

Under responsibility to the individual Directors, Panzeri S.p.A. ensures all Suppliers of goods, resources and services and in particular credit institutions and financial companies, compliance with the commitments undertaken; professional confidentiality is also protected, requiring from the counterparty the same correctness in the management of the relationship.

The aforementioned also committed itself to putting an adequate internal regulation of its own financial flows coming from the same Institutes, so as to make the risks related to an "*acceptable level*" in the deep respect of every agreement reached.

4.5 CUSTOMERS

QUALITY AND RELIABILITY

The Company's success is based on its unique ability to meet Customers' expectations while maintaining high levels of reliability.

To this end, the priority objective is to identify the real needs of Customers, undertaking to maintain an open dialogue with them, and subsequently guarantee their satisfaction through high quality services.

NEGOTIATING CORRECTNESS

Panzeri S.p.A. must establish business relationships with its Customers in a correct, complete and transparent manner, trying to foresee the circumstances that could significantly affect the established relationship. Even where unforeseen events and situations occur, the Company is obliged to respect, with maximum effort, the Customer's expectations by performing the professional relationship with equity, without exploiting to its advantage any conditions of weakness or ignorance of the counterparty.

INFORMATION CONFIDENTIALITY

As previously described, the Company is committed to treat all information received from the companies with which it collaborates with the utmost confidentiality, aware of all regulations in this regard. It also commits to use the aforementioned information only for strictly professional reasons and in any case following written authorization according to the current privacy legislation. The Company expects, symmetrically, the same behaviour from the Customers.

GIFTS AND BENEFITS

It is absolutely forbidden to offer / receive, directly or indirectly, to / from Customers gifts and / or benefits (money, objects, services, services, favours or other utilities in general) such as to be interpreted by an impartial observer as aimed at obtaining an advantage, even if not economic. Acts of commercial courtesy, such as gifts or hospitality, are permitted only if they comply with the following three conditions:

1. the gifts are of an appropriate nature;
2. their value is moderate (to be understood according to the relevant legislation);
3. the laws are in any case respected (even in the case of the slightest doubt, any practice of receiving / donating in the matter must be avoided).

4.6 SUPPLIERS OF GOODS AND SERVICES

FAIRNESS

The Company establishes relations with its Suppliers in full compliance with the regulations in force and the principles of this Code, expecting, similarly, to find a correct behaviour, diligent and compliant with the provisions of the law, good practices in ethics, as well as to the protection of health and safety in the workplace.

OBJECTIVE ASSESSMENT

The Supplier selection process is based on objective assessments according to principles of correctness, cost, quality, innovation, continuity and ethics, each time comparing the various offers on the market and accurately evaluating the guarantees given regarding the precise fulfillment of what was promised, in order to finalize the purchasing processes in search of the maximum competitive advantage, excluding any form of discrimination.

NEGOTIATING CORRECTNESS

The Company undertakes to establish business contacts with its Suppliers in a correct, complete and transparent manner, trying to foresee the circumstances that could significantly affect the relationship established. In the event of unforeseen events, all Personnel undertake not to exploit situations of dependence or weakness of the counterparty and expect a mirror behaviour from the Suppliers.

The stipulation of a contract with a third party must always be based on extremely clear relationships, avoiding, where possible, the assumption of contractual obligations that involve forms of dependency towards the contracting Supplier. Before establishing business relationships with third parties, especially Consultants and Service Providers, it is mandatory to examine the available information, including financial information, in order to verify their respectability and their legitimacy in relation to the type of transaction proposed.

INFORMATION CONFIDENTIALITY

The Company's commitment must be to maintain total confidentiality regarding confidential information concerning its Suppliers (e.g. strategic information of the Supplier and personal data) as well as their use only for strictly necessary reasons. Suppliers are also required to ensure confidentiality with regard to information, documents and personal data relating to the Company, its Staff and / or its Collaborators.

4.7 COMPETITORS

FAIR COMPETITION

Panzeri S.p.A. considers correctness towards the many competitors on the market of primary importance. Therefore, with its Directors, Employees and Collaborators (as well as all the figures described within the Company organization chart), it undertakes to comply with all relevant laws and to collaborate with market regulatory authorities.

COLLECTION OF INFORMATION CONCERNING THE COMPETITION

It is forbidden to obtain information on the competition (e.g. activities, way of providing services) with means that are illicit or contrary to the ethic (e.g. theft, corruption, Corporate espionage). The Company undertakes in every situation to respect the market and its competitors by rejecting any behaviour that is ethically and / or criminally unbecoming.

4.8 PUBLIC ADMINISTRATION

The minimum content of the Code of Ethics drawn up by Confindustria⁴ highlights the importance of protecting relations with the Public Administration as they are considered to have a high risk-crime potential.

Public Administration (hereinafter referred to as "PA") means all those individuals, private and public, who perform a "public function" or a "public service". In particular:

<i>Public function</i>	<i>Public service</i>
<i>Activities, governed by rules of public law, pertaining to legislative, administrative and judicial functions.</i>	<i>Activities of production of goods and services of general interest, subject to the supervision of a Public Authority, in addition to those activities aimed at guaranteeing the rights of the person to life, health and freedom of communication.</i>

LEGALITY AND CORRECTNESS

Panzeri S.p.A. inspires and adapts its conduct to the respect of impartiality and good performance the PA is bound to, by operating at all times in full compliance with the law and correct commercial practice.

CONFLICT OF INTERESTS

The Company does not allow the possibility of being represented by third parties in relations with the PA, if a conflict of interest can be configured, even abstractly. With respect to the "third party", the Company applies the same guidelines valid for Employees, Managers and any other "Recipient" of the Model.

GIFTS AND BENEFITS

The Company condemns any behaviour put in place by anyone in its representation, consisting in promising / offering (directly or indirectly) money or other benefits to representatives of the PA and / or their relatives / relatives from whom it may be of interest or advantage (even if only potential). The behaviours described are considered "acts of corruption", whether they are carried out by Corporate Bodies / Employees / Collaborators, or if they are carried out by persons acting on behalf of the Entity.

BUSINESS DEALS

⁴ CONFINDUSTRIA - Guidelines for the construction of organizational, Management and control models - Approved on 7 March 2002 and updated to March 2014.

The external Collaborators, the Professionals, the Administrators, the internal Subjects entrusted to follow the institutional and operational relationships with the PA must not for any reason try to improperly influence the decisions of the representatives of the same.

During the aforementioned institutional relations with representatives of the PA, it is forbidden to undertake, directly or indirectly, actions such as⁵:

- proposing employment / commercial opportunities that may benefit, even indirectly, the representatives of the PA, either personally or not;
- obtaining confidential information that may compromise the integrity and reputation of both parties;
- perform any other act aimed at inducing the representatives of the PA "to do" or "to omit to do" something in violation of the law;
- abusing one's position or powers to induce / force someone to unduly promise - to oneself or others - money or other benefits.

CONTRIBUTIONS AND SUBSIDIES

With regard to subsidies, the Company condemns any behaviour aimed at obtaining from the State, the Regions, the European Union or any other public Body any type of payment (loans, contributions) by means of statements and / or documents altered or falsified , or, more generally, through artifices / deceptions (including those made by means of a computer or telecommunications system) aimed at misleading the provider.

It is also forbidden to distract or allocate contributions, subsidies and financing (of any amount) with timing and / or purposes other than those for which they were granted, whatever the Public Entity that provided them.

The subjects in charge of managing financial assets, investments and loans received from the PA or public Bodies must base their work on principles of correctness and transparency, also observing the information obligations towards the administrative and control Bodies of the Company: this translates into the principle of making the documentation available on each operation performed in the context of the assigned tasks and functions.

4.9 ENVIRONMENT

ENVIRONMENTAL OBJECTIVE AND POLICY

Panzeri S.p.A. manages its business pursuing excellence in the field of protection of the surrounding environment and setting itself the goal of continuously improving its performance in this area.

During the exercise of its business activity, Panzeri S.p.A. undertakes:

- To the use of processes, technologies and materials that reduce the consumption of natural resources;
- To limit the production of waste through, where possible, its re-use;
- To involve and raise staff awareness through appropriate training;
- To strictly comply with all legislation regarding waste disposal.

WORK ENVIRONMENT

The Company undertakes to guarantee the best protection of working conditions in order to safeguard the health and psycho-physical integrity of Employees and Collaborators, respecting the personality of each one, ensuring that no illicit conditioning or undue discomfort is carried out in their comparisons. Sexual harassment or other behaviour detrimental to the dignity and freedom of people is not permitted.

The Company has an "*Organizational Model*" in compliance with the provisions of Legislative Decree 231/01, which seeks to prevent, among others, the risk related to the crimes of manslaughter and serious injury committed with

⁵ For an exhaustive discussion, see the related behavioural precept.

violation of accident prevention regulations through the constant control of the SB on the compliance of the Risk Assessment Document (RAD).

Panzeri S.p.A. has implemented the assessment of business risks in the field of environment and safety in the workplace, identifying prevention and protection measures and developing an internal implementation program regarding mandatory training in the field.

5. ETHICS IN BUSINESS MANAGEMENT

TREATMENT OF INFORMATION

Given the activity carried out by the Company, the adequate treatment of information and sensitive data is a prerequisite, given the constant presence of personnel in the structures owned by the Clients. For this reason, the Company guarantees adequate management and protection, safeguarding the data storage methods in compliance with the reference regulations and procedures.

CORPORATE ADMINISTRATION

Conduct and Transparency

Both the Administrative Body and each Employee / Collaborator are required to behave correctly and transparently in carrying out their activities, especially in relation to requests made by the Shareholders and other Corporate Bodies. Panzeri S.p.A. condemns any behaviour aimed at altering the correctness and truthfulness of the data and information contained in the financial statements, reports or other Corporate communications required by law.

All Recipients are therefore obliged to guarantee - verifying with due diligence - the truthfulness, authenticity and originality of the information provided in carrying out the activity for which they are responsible. They will also be required to make appropriate reports to the competent Bodies (and consequently to the SB) in the event that they detect any falsehoods, errors or omissions.

Clarity and truth in every transaction and transaction

Each operation and / or transaction, in the broadest sense of the term, must be legitimate, authorized, consistent, congruous, documented, recorded and verifiable at all times, in accordance with the procedures common to the Company. In operational terms:

- it must always be possible to perform checks on the characteristics of the operations carried out, on the motivations that determined them, on the authorizations to perform them, on the execution of the same operations (hence the need for adequate documentary support for each operation performed);
- every subject that carries out operations and / or transactions involving sums of money, goods or other economically valuable benefits, must act upon specific authorization and provide, upon request, all valid evidence for verification.

Protection of Personal Data

"Personal data" is considered to be any information relating to a natural or legal person, entity or association identified or indirectly identifiable by reference to any other information (including a simple personal identification number). In order to guarantee the protection of personal data, the Company undertakes, through its collaborators, to treat them in compliance with the relevant regulations and in particular according to the principles of transparency, lawfulness, quality assurance and correctness.



The Company, through the approval of the Code of Ethics, guarantees the pertinence of the data processing with the stated and pursued aims: personal data will not be used for secondary purposes without the written consent of the

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interested party, placing the utmost respect and attention towards the his person.

6. DISCIPLINARY POWER

Failure to comply with the precepts, obligations / prohibitions set by this Code of Ethics and, equally, any action / omission contrary to the dignity or correct exercise of the business activity, are punishable by the disciplinary sanctions provided by both the OM&C Model and the Law.

The internal and external Stakeholders who become aware of violations of the precepts, obligations and prohibitions of this Code by Colleagues and / or third parties have the duty to inform the SB through the email address.

All Recipients may (and must) report to the SB only the suspected violation of the Code of Ethics. The SB will therefore be able to act accordingly in such a way as to:

- provide an analysis of the report, possibly listening to the author and the person responsible for it;
- act in such a way as to guarantee the whistleblowers against any kind of retaliation such as discrimination or penalization in general, even indirectly, ensuring if the identity of the reporting person considers it appropriate;
- in case of ascertained violation of the Code of Ethics, it will behave as in the case of an open violation with repercussions on the Company Disciplinary System.

7. IMPLEMENTATION, CONTROL AND DIFFUSION OF THE CODE

The procedures for implementing, controlling and spreading the Code of Ethics are an essential component of each Model as they aim to diffuse it within and outside the organization, to enforce it and to guarantee its effective effectiveness.

With regard to the accessibility of the same by all the "Recipients", the Company undertakes to guarantee the timely diffusion of the Code of Ethics, by means of:

- explanation and presentation in the meetings planned for the training of Employees, Directors and Collaborators;
- uploading the Code of Ethics online, in such a way as to make it accessible to Company personnel and all stakeholders.